

Message Text

SECRET

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ACTION SS-25

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INFO USMISSION NATO
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AMEMBASSY PARIS

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C O R R E C T E D C O P Y (DELETE FIRST FOUR LINES OF TEXT)

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

DEPARTMENT PLEASE PASS SECDEF FOR ISA AND CSAF,
USNMR SHAPE, CINCEUR VAIHINGEN, CINCUSAFE RAMSTEIN

E.O. 11652: GDS
TAGS: NATO, OCON, MILI, AWACS
SUBJECT: REPORT OF US-FRG BILATERAL ON NATO AWACS

SUMMARY: US AND FRG OFFICIALS MET ON 12 SEP 77 TO EXCHANGE
VIEWS ON A WIDE RANGE OF NATO AWACS PROGRAM ISSUES INCLUD-
ING: FORCE SIZE, CONFIGURATION, COST SHARES, ECONOMIC
BENEFITS TO THE FRG, BASING, PAYMENT SCHEDULES, FMS VS
COLLABORATIVE EFFORT, AND FRENCH PARTICIPATION. FRG
REPRESENTATIVES ALSO PASSED A NUMBER OF PREPARED QUESTIONS.
END SUMMARY.

1. FORCE SIZE. IN STATE SECRETARY DR. SCHNELL'S OPENING
REMARKS TO MR. MCGIFFERT AND PARTY, HE NOTED CONVERSATIONS
HE HAD WITH GENERAL HAIG CONCERNING FORCE SIZE. SCHNELL
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FELT THAT AVAILABLE FINANCIAL RESOURCES MIGHT MAKE A 10-12
AWACS FORCE THE ONLY PRACTICABLE ALTERNATIVE. OPTIONAL
COVERAGE OF THE NORTHERN FLANK WOULD BE PROVIDED UNDER THIS
CONCEPT, WITH SOUTHERN FLANK COVERAGE PROVIDED BY THE SIXTH
FLEET AND US AWACS. IN THE PRESENCE OF DR. SCHNELL,
GENERAL ALtenBURG, STATING THAT HE WAS SPEAKING FOR GENERAL
WUST, EMPHASIZED THE NEED FOR COVERAGE OF ALL FLANKS AND

ALLIANCE-WIDE PARTICIPATION IN ORDER TO SECURE BUNDESTAG APPROVAL. MOREOVER, WUST WAS CONVINCED THAT ENDORSEMENT BY MILITARY AUTHORITIES OF FURTHER ALTERATIONS IN FORCE SIZE WEAKENED THE CREDIBILITY OF THE PROGRAM IN THE EYES OF THE BUNDESTAG. ON SEVERAL OCCASIONS, ALtenburg STATED THAT WUST BELIEVES THAT 18 AWACS SHOULD REMAIN THE OBJECTIVE, BUT IF FINALLY, THE MEANS ARE AVAILABLE, AS AN EXAMPLE, FOR ONLY 16, THEN WE SHOULD "PICK THAT NUMBER AND STICK TO IT." DESPITE THE DIFFERENCE IN FRG VIEWS ON FORCE SIZE, THEIR APPROACH WAS POSITIVE IN TERMS OF NEEDING TO PROVIDE MAXIMUM ALLIANCE AEW CAPABILITY.

2. CONFIGURATION. IN RESPONSE, MCGIFFERT POINTED UP THE NEED TO EXAMINE ALTERNATIVES OTHER THAN FORCE SIZE REDUCTIONS. THE KEY TO ACHIEVING AN ALLIANCE-WIDE PROGRAM (18 AWACS) MAY BE AN AGREEMENT ON A MORE AUSTERE CONFIGURATION, SAVING ABOUT \$250 MILLION. US REPRESENTATIVES DESCRIBED A STANDARDIZED CONFIGURATION THAT BUILDS ON RECENT ATTEMPTS IN THE HLG TO STANDARDIZE ADP HARDWARE/SOFTWARE (200 TRACKS WITH AUTOMATIC TRACK INITIATION) AND COMMUNICATIONS. A PRINCIPAL DIFFERENCE IN THE STANDARDIZED CONFIGURATION DISCUSSED IN BONN AND PREVIOUSLY AGREED UPON MODEL C WAS THAT ONLY WIRING FOR ELECTRONIC SUPPORT MEASURES (ESM) WOULD BE PROVIDED INITIALLY. FRG REPRESENTATIVES WERE POSITIVE IN THEIR REACTION TO THIS STANDARDIZED MODEL.

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3. COST SHARES. US REPS POINTED OUT THAT A FORCE OF 18 AWACS WITH THIS US-NATO STANDARDIZED CONFIGURATION WOULD REQUIRE AN FRG SHARE OF APPROXIMATELY \$650 MILLION (\$ DEC 77) IF THE FRG WERE TO COVER ABOUT 26 PERCENT OF COMBINED AWACS/NIMROD PROGRAM COSTS. THE FRG REPRESENTATIVES, WHO REPLIED THAT THEY WERE IN NO POSITION TO SPEAK FOR THE MINISTRY, APPEARED TO VIEW THIS AMOUNT AS REASONABLE.

4. INDUSTRIAL COLLABORATION (IC)/ECONOMIC BENEFITS TO FRG. THE US REPRESENTATIVES SUGGESTED IC FOR THE FRG IN THE AMOUNT OF \$230 MILLION. THUS COUPLED WITH ECONOMIC BENEFITS DERIVED FROM HOSTING THE MAIN OPERATING BASE (MOB), INCLUDING BASE REFURBISHMENT AND LIFE CYCLE OPERATIONS AND SUPPORT BENEFITS, TOTAL BENEFITS FOR THE FRG EXCEED \$650 MILLION.

5. BASING. ALtenburg STATED THAT, UNDER PRESENT CIRCUMSTANCES, LOCATION OF THE MOB IN THE FRG IS ESSENTIAL. MCGIFFERT REPLIED THAT IF THIS PROPOSAL WOULD ASSURE AN ALLIANCE-WIDE AEW CAPABILITY AND BASING IN FRG WAS ACCEPTABLE TO NATO MILITARY AUTHORITIES, THEN THE US WOULD VIGOROUSLY SUPPORT IT.

6. PAYMENT SCHEDULES. THE FIRST OBSTACLE TO THE STANDARDIZED CONFIGURATION APPROACH RAISED BY FRG REPRESENTATIVES CONCERNED PAYMENT SCHEDULES. FRG REPRESENTATIVES STATED THAT FUNDS FOR ACQUISITION OF MAJOR SYSTEMS ARE COMMITTED THROUGH FY 1982. THE US RAISED THE POSSIBILITY THAT THE FRG CONSIDER PAYMENTS APPROXIMATING \$50 MILLION PER YEAR BEFORE THEN. THE FRG DID NOT REJECT THIS, BUT NOTED THAT THE \$275 MILLION IN PAYMENTS PROPOSED FOR THE FRG IN FY 1981-82 WERE PARTICULARLY DIFFICULT.

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES

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7. FMS VS COLLABORATIVE EFFORTS. ANOTHER MAJOR PROBLEM THE FRG AND OTHER ALLIANCE NATIONS HAVE CONCERNS THE CHARGES AND PROCEDURES REQUIRED BY THE FMS ACT WHEN IN THIS CASE THE US IS A PROCUREMENT PARTNER. MOREOVER, THIS ISSUE IS CAUSING AN IMPASSE IN HLG DISCUSSIONS. MCGIFFERT REPLIED THAT REVISION OF US STATUTES WOULD BE DIFFICULT, BUT THAT THE US WANTED TO BE AS FORTHCOMING ON THIS MATTER AS POSSIBLE AND WOULD EXAMINE ALTERNATIVES ON A PRIORITY BASIS.

8. FRENCH PARTICIPATION. ALtenburg STATED THAT BOTH MINISTER LEBER AND GENERAL WUST HAD APPROACHED THE FRENCH TO DETERMINE THEIR CURRENT INTEREST IN PROGRAM PARTICIPATION. FRG ASSESSMENT IS THAT WHILE THE FRENCH APPEAR INTERESTED, THERE PROBABLY IS ONLY A SLIGHT POSSIBILITY THAT THEY WOULD COMMIT IN SUFFICIENT TIME AND, THEREFORE, SHOULD NOT BE COUNTED AS A PROCUREMENT PARTNER. BOTH NATIONS STILL

CONCUR IN THE IMPORTANCE OF CONTINUING TO SUPPORT FRENCH PARTICIPATION AND THE FRG SUGGESTED THAT THE US MAKE AN INFORMAL INQUIRY TO DETERMINE WHETHER THE FRENCH CAN MOVE TO A DECISION IN TIME TO PARTICIPATE IN THE CURRENT EFFORT. THE US AGREED.

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9. FRG QUESTIONS RAISED DURING THE DISCUSSION.

A. "MULTIPLIER EFFECT." ALtenburg REFERRED ONCE AGAIN TO US AIR FORCE COMMENTS TO MINISTER LEBER IN MARCH AT ANDREWS AFB ABOUT THE FORCE ENHANCEMENT CAPABILITIES OF AWACS. HE STATED THAT THIS IS AN IMPORTANT POINT TO MAKE, THAT THE "EXTRA FEW MINUTES" PROVIDED BY THE AWACS EARLY WARNING CAPABILITY WILL NOT BE ACCEPTED BY THE BUNDESTAG AS SUFFICIENT JUSTIFICATION FOR GERMAN PARTICIPATION IN THE PROGRAM. MCGIFFERT PROVIDED A COPY OF A PRELIMINARY REPORT ON FORCE ENHANCEMENT PREPARED BY THE AIR FORCE. ALtenburg INDICATED THAT THIS REPORT CONTAINED PRECISELY THE KIND OF INFORMATION THEY SOUGHT. MCGIFFERT SAID A MORE COMPLETE ANALYSIS WOULD BE FINISHED WITHIN A FEW WEEKS AND A SUPPLEMENT WOULD BE FORWARDED.

B. NIMROD. ALtenburg STATED THAT THE NIMROD FORCE MUST BE INTEROPERABLE AND SHOULD BE PART OF THE COMMAND AEW FORCE. MCGIFFERT AGREED AND REPLIED THAT THE US IS OPTIMISTIC THAT THE UK WOULD DECIDE VERY SOON TO INCORPORATE JTIDS AND LINK 11 INTO THEIR NIMROD PROGRAM.

C. FREQUENCIES. THE FRG REPRESENTATIVES STATED THAT FREQUENCY ALLOCATIONS FOR THE NATO AWACS FORCE WILL BE A DIFFICULT PROBLEM AND MUST BE WORKED WITH THE ALLIED RADIO FREQUENCY AGENCY (ARFA) ON A PRIORITY BASIS.

D. COST DATA. THE FRG REPRESENTATIVES EMPHASIZED ONCE AGAIN THE NEED FOR ACCURATE COST DATA ON ALL ASPECTS OF THE PROGRAM, INCLUDING ANNUAL O&S AND GROUND ENVIRONMENT MODIFICATIONS. THEY STATED THAT WHERE ACCURATE AND COMPLETE COST DATA ARE NOT AVAILABLE, AN "ASSESSMENT OF (COST) RISK" MUST BE PROVIDED TO THE BUNDESTAG.

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E. FINANCIAL EXPERTS MEETING ON 29-30 SEPTEMBER. ALtenburg SAID THERE HAS BEEN A MISUNDERSTANDING ABOUT THE SUBJECT

MEETING. HE SAID THAT A FINANCIAL EXPERTS' MEETING AT THE PADBURG LEVEL WOULD NOT BE PRODUCTIVE AT THIS TIME AND THAT DR. PADBURG WOULD NOT PARTICIPATE UNTIL SUBSTANTIVE DECISIONS REGARDING FINANCING A NATO PROGRAM WERE READY TO BE MADE. AT THE SAME TIME, THEY THOUGHT THAT PROGRESS COULD BE MADE ON A NUMBER OF KEY ISSUES, INCLUDING THOSE OUTLINED ABOVE, IN AN APPROPRIATE NATO FORUM SUCH AS AN AUGMENTED SUBGROUP 3 OR HLG MEETING AS EARLY AS 29 SEPTEMBER.

10. ALTHOUGH ALtenBURG DID NOT DWELL ON THE POINT, HE STATED THAT SOME PEOPLE BELIEVE THE US DECISION ON THE TANK GUN SHOULD BE LINKED WITH THE FRG DECISION ON NATO AWACS. HE USED THIS AS A LEAD-IN TO THE ESSENTIALITY OF THE MOB BEING IN GERMANY.

11. CONCLUSIONS. THE EXCHANGE OF VIEWS DURING THIS MEETING WERE CORDIAL, FRANK AND COMPREHENSIVE. ALTHOUGH DR. SCHNELL WAS CALLED TO ANOTHER MEETING SOON AFTER DISCUSSIONS BEGAN, GEN ALtenBURG SPOKE FROM STAFFED PAPERS THAT REFLECTED THE VIEWS OF GEN WUST. THEY SUPPORTED THE CONCEPT THAT THE US AND FRG, AS THE TWO MAJOR PARTICIPANTS IN A NATO AWACS PROGRAM, MUST COME TOGETHER FIRST IF A TRUE ALLIANCE PROGRAM IS TO BE ACHIEVED. MEEHAN

NOTE BY OC/T: NOT PASSED.

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Message Attributes

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